AIR POUCH
PRIORITY

OFFICIAL USE ONLY
(Security Classification)

DEPARTMENT OF STATE IN THIS SPACE
REVIEWED BY Ed Holmes DATE 9/16/82
845H.00/11-255
RDS☐or XDS☐EXT. DATE
DESC. No. AUTH. REASON(S)
ENDORSE EXISTING MARKING ☐
DECLASSIFIED☐ RE-DATE/SAB☐
RELEASE DENIED☐
P.L. or FOI EXEMPTIONS

FOREIGN SERVICE DESPATCH

FROM : AMCONGEN, Lagos, Nigeria

TO : THE DEPARTMENT OF STATE, WASHINGTON.

REF : Despatch No. 56, October 18, 1955

November 2, 1955

Sent 1 copy to Lusaka post on page 5

For Dept. Use Only	ACTION	DEPT.
	REC'D. 11/7	INFO A/REP-2, OLI-6, E-4, NEA-4
		OTHER AE-7, TR-3, TAR-2, FAB-2, CIA-5

SUBJECT: Bi-Weekly Review, October 17 - November 1, 1955 USIA-10 IN-7, LAB-4 Army-4, NAVY-3 AIR-3

ECONOMIC

Strike in Northern Mine Fields (UNCLASSIFIED)

On October 17th work in most of the minefields of the Plateau Division of Northern Nigeria came to a halt when approximately 30,000 miners struck for increased wages. The strikers are members of the Amalgamated African Mine Worker's Union and the Nigeria African Mineworker's Union. A third major union, the Northern Mine Worker's Union did not call a strike.

The immediate cause of the strike which has brought production of tin and columbite to a standstill was the refusal of the Mines Employers Association, an organization representing eighteen mining companies to grant wage increases of from 20 to 30 per cent following the Gorsuch recommendations as requested by the unions. Simultaneously the members of the Public Utility and Technical Worker's Union began a slow down strike at Kaduna. Attempts to forestall the strike were made when officials of the companies, the unions and the government met and announced that increases would be granted to the artisans but that the question of the new rates for laborers would have to be postponed. Union delegates insisted, however, that new rates for both artisans and laborers be announced simultaneously, since laborers represent the great majority of the men affected, and claimed that the proposal was an attempt to split the union. On this score they refused to postpone the strike.

Of particular interest was the Union's admission that the majority of the members of the Employers' Association were willing to meet the workers' demands, but that the impasse was caused by a small pressure group which is determined to hold out to the last against any wage increases whatsoever.

The post economic officer was informed today by the Permanent Secretary of the Ministry of Labor and Welfare that the strike has now been settled and that the miners will return to work on

HTKrueger:mos
REPORTER

OFFICIAL USE ONLY

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

845H.00/11-255

845H.00/11-255

RECEIVED
NOV 10 1955

LWC

Friday, November 4th. The Permanent Secretary stated that the strike, while serious because of its size, was based on the simple issue of salary alone. Working conditions, jurisdiction, etc. did not enter into the picture. The settlement was arranged directly between the Mine Employers' Association and the Unions in which the workers were granted a flat increase amounting to approximately a 25 per cent wage increase. The miners' contention as stated above, that the three weeks' impasse was caused by a small pressure group was correct in that the large and wealthy mining companies were willing to grant the increase but were held back by the reluctance of the small marginal operators who as members of the Employers' Association had enough influence to delay a settlement. The Permanent Secretary is of the opinion that the size of the increase will forestall any further trouble in the minefields for some time to come.

Increase of British Exports of Heavy Industrial Products to Nigeria (UNCLASSIFIED)

The value of British heavy industrial products exported to Nigeria during the first eight months of 1955 was fixed at £16,853,000. This represents more than an 18 per cent increase over the same period of 1954. Among the products contributing to this increase were machinery which showed an excess of 37 per cent gain and vehicles with a 31 per cent gain. According to the latest figures of the board of trade up to August 31, 1955 Britain shipped to Nigeria electrical machinery valued at £3,611,000 which included £430,000 worth of industrial and works trucks and mechanical handling equipment, electrical machinery and appliances valued at £1,989,000 including generators and motors, and £119,000 worth of telecommunication equipment.

Decrease in Nigerian Foreign Trade (UNCLASSIFIED)

During the month of July 1955 Nigeria showed an unfavorable balance of trade to the extent of £1,137,650. The principal cause has been given as a reduction in the quantity and value of cocoa, groundnut and cotton exports.

Exports of these items in July 1954 and 1955 were as follows:

	1954	1955
Cocoa	£435,686	£809,633
Groundnuts	£2,065,665	£1,694,361
Cotton	£1,230,972	£941,000

OFFICIAL USE ONLY
(Classification)

Shell D'Arcy Statement on Production of Oil in Nige a (UNCLASSIFIED)

The Shell D'Arcy Petroleum Development Company which has been searching for mineral oil in parts of the Eastern Region has issued the following statement explaining why in spite of the fact that some traces of oil have been discovered it has not considered it economical at this stage to commence commercial production:

"From time to time, a report appears in the Press to say that Shell-D'Arcy has found a show of oil in this test well or a trace of gas in that test well, but always with the qualification that, up to now, none of the shows have been large enough for commercial production. Many people do not understand what precisely is meant by "enough for commercial production". Why cannot the oil that has been found, small as it may be, be taken out of the ground and used? Here is the reason.

"Let us suppose that Shell-D'Arcy has discovered a show of oil in a well and that the total amount of oil available in this well is say 10,000 tons - this is much more oil, incidentally, than it is possible or likely could be obtained from any of the wells in which the Company has actually discovered oil indications.

"Now oil cannot be used as it comes out of the ground. It has to be processed before it becomes the petrol, kerosene, fuel oil, etc. which we use. In order to send the oil from Owerri to be processed, it would be necessary to build a pipeline to Port Harcourt or some other terminal - because a pipeline is the cheapest way of transporting a liquid. The cost of such a pipeline would be well over £2 million. Heavy storage tanks, pumps and other plant would have to be built and this would add about another £1 million to the bill. Then some dredging may have to be done at the port terminal to allow large tankers to come in and jetties built. All this would bring the total cost up to over £4 million. If £4 million is spent to produce 10,000 tons of oil, it is easy to see that, even price of the oil is nearly £500 a ton, or some £2 a gallon. And it is obvious that nobody can afford to pay £2 for a gallon of petrol.

"This is what is meant when it is said that the oil is not available in commercial quantities. Hundreds of millions of gallons more would have to be found and a continuous production assured before the oil could be produced for a reasonable price.

"A simple analogy can be made if we imagine the case

of a building contractor who knows of a very good deposit of sand available in the Delta area. There is only a limited quantity of 1,000 cubic yards and normally the price he gets is £0-15-0 a cubic yard. This sand in the Delta, however, is in such a remote place that, to bring it to a market, the contractor would have to buy a boat and a lorry. The expense of these is such that it would cost him £1-10-0 a cubic yard to get the sand to a buyer, twice as much as the price he can get for it. It is obviously not worth his while to go and fetch it. But if there had been 100,000 cubic yards available in the deposit he could have spread the cost of his lorry and boat over a much larger amount of business and would have been able to bring it to the buyer for say £0-12-0 a cubic yard. Thus, by selling it for £0-15-0, he would have made £0-3-0 per cubic yard profit.

"In other words, with 100,000 cubic yards, the sand is available in commercial quantities - but with only 1,000 cubic yards it is not."

Nigerian Output of Cotton and Kapok Increases Commonwealth Total
(UNCLASSIFIED)

Nigerian cotton is playing its part in the rising Commonwealth proportion of the world's cotton output. And increased supplies of Nigerian kapok entering the world trade are helping to swell the share of the world exports contributed by the Commonwealth. This is shown by the 1955 edition of the review "Industrial Fibres" just published by the Commonwealth Economic Committee.

It states that world production of the chief industrial fibres, at 32,900 million lb, was four per cent lower than the record figure of 1952-53. The estimated total for 1954-55 is 32,300 million lb, a further reduction of about three per cent, mainly due to the fall in cotton.

The Commonwealth share of world fibre production continued to rise. While world production of cotton in 1953-54 set a new record at 19,200 million lb, or two per cent more than the previous season, Commonwealth production increased by seven per cent to 2,811 million lb. The review lists world production figures in a table which shows the Nigerian totals that are available to the Intelligence Section of the Commonwealth Economic Committee, who compiled the review. These are for exports only. Of Commonwealth production in 1953-54, Nigerian exports accounted for 40 million lb; in 1938-39 they accounted for 10 million lb, of a total Commonwealth production of 2,758 million lb.

Cotton exports from Commonwealth producers accounted for between 20 and 25 per cent of the world total in each of the years

Civil Service Commissioner touching on following points: (1) Request for a 7½% increase in pay rates due to the rising cost of living, (2) Adjustments to lessen the gap between the salaries of Junior and Senior officers in the Service, (3) The African Staff Housing Scheme and (4) Discussion of the current negotiation machinery for settlement of labor disputes. No reply has yet been made directly. However, the speech of Mr. Baker-Beall, Acting Financial Secretary, in the Legislative Council on August 24, rejected any overall wage increases.

Protest Against Increase in Expatriate Personnel

Pressure to minimize the number of Civil Service expatriates in Nigeria continues. Latest example is the protest by the Nigerian Railway Civil Service against the importation of four Europeans to fill responsible positions in the Department when competent Nigerian personnel were supposedly available for the post.

Deteriorating Labor Relations

In last report it was mentioned that the management of the Nigerian Railway had been placed in a difficult position because Government (through the Labor Department and the Civil Service Commissioner) failed to ratify various items agreed between management and the workers. Now, a similar situation (strike of the marine workers, see above) has arisen over a conciliation agreement reached between the Director of the Marine Department and the workers' representatives. This brings up the broad issue of deteriorating labor relations.

Many feel that the Civil Service Commissioner should not be the final authority to determine industrial disputes, and he is often blamed for labor difficulties. Labor leaders are of the opinion that there should exist negotiating machinery on a national level where all disputes not settled between the unions, management, and the Labor Office should go finally rather than to the Civil Service Commissioner.

Labor points out that a solution to this problem must be found because otherwise the workers' faith in existing conciliation machinery will dissolve completely, the result being chaos.

OTHER

Further Developments Concerning Passports Reported Missing from the Lagos Immigration Office.

Two men were charged in Lagos on Saturday, August 4, 1951,

with possession of forged passports; both pleaded not guilty. Both, however, were found guilty; one was fined £15, the other £10.

Investigations involving the general problem of passport security are continuing and allegedly one of the better CID investigators has been working on the case for some time, intimating a very thorough investigation. One constable, believed to have been in a responsible position in the Immigration Office, is reported to have disappeared shortly after the loss of a number of passports was first reported.

Visit of Nigerian Student Liaison Officer in U.S.A.

Mr. Reginald BARRETT, Liaison Officer for Nigerian students in U.S.A., has recently visited Nigeria. He consulted with Government and prospective students here concerning opportunities for students in U.S. and their general welfare there. He told the Africans that U.S. had much to offer especially as respects the training of technicians.

Lagos Mayor Remains in England

The Mayor of Lagos, Dr. Doiyinka OLORUN-NIMBE, who went to U.K. to attend the Festival of Britain, is taking a course in local government before returning to Lagos.

Cost of Living Advancing

With the cost of living advancing, there is some clamor in the press for a program calculated to stay the advance. Price control has been considered on several occasions but has been rejected each time. It is reported that price controls on essential commodities are to be instituted on the Gold Coast.

Research Appointments Made

Two West Africans have been appointed to the research staff of the Department of Social Anthropology of Edinburgh University. One of these is from Nigeria.

Educational Mission for West Africa

Small groups of independent experts are due to visit British African territories to study the policy and practice of education in those territories. The group to visit West Africa includes 4 members, all British educational leaders.

UNCLASSIFIED
(Classification)

8 Lagos 104

Proposed Sponsorship of Nigerian Students in American Schools by the African Academy of Arts and Research.

Mazi K. Ozuomba MBADIWE has announced the intention of his African Academy of Arts and Research to sponsor 10 more Nigerian students to American schools beginning in September of this year.

The scholarships announced thus far are one to Syracuse University and two at Simpson College, Iowa. The Academy is already sponsoring 26 Nigerian students in 9 American colleges and universities in the United States.

Criticism of the Academy and its President, Mr. Mbadiwe, continues in the local press as a consequence of the furor raised by the Academy's scholarship students at Lincoln University a few weeks ago. In view of the public interest generated by the announcement and of the big play the press has given the protesting scholars in the United States, this office will await with interest the financial arrangements to be proposed for these new 10 by Mr. Mbadiwe.

A. W. Childs
American Consul General

Copy to Embassy London

UNCLASSIFIED